

EXTRACT FROM THE MINUTES OF THE SPECIAL MEETING OF THE NEWCASTLE MUNICIPAL COUNCIL, HELD IN THE CONFERENCE ROOM, SHOW HALL, NEWCASTLE ON WEDNESDAY, 31 MAY 2017 AT 14:00

PRESENT

Councillor	J C N	Khumalo	:	Speaker
Councillor	V V	Bam		
Councillor	L L	Bosman		
Councillor	M V	Buhali		
Councillor	S B	Buthelezi		
Councillor	E C J	Cronje		
Councillor	T J C	Danisa		
Councillor	X N M	Dladla		
Councillor	B S	Dlamini		
Councillor	F P	Gama		
Councillor	V F	Hadebe		
Councillor	T S	Hlabisa		
Councillor	A	Khoza		
Councillor	B V	Khumalo		
Councillor	V D	Kubeka		
Councillor	N P	Kunene		
Councillor	C Y	Liu		
Councillor	N K	Majozi		
Councillor	F A	Malinga		
Councillor	N Y	Mbatha		
Councillor	A M	Mbuli		
Councillor	R N	Mdluli		
Councillor	A P	Meiring		
Councillor	S G	Miya		
Councillor	H N	Mkhwanazi		
Councillor	T P	Mkhwanazi		
Councillor	M S	Mlangeni		
Councillor	N G	Mnguni		
Councillor	M V	Molefe		
Councillor	R M	Molelekoa		
Councillor	M V	Mthembu		
Councillor	P B	Mwali		
Councillor	V P	Mzima		
Councillor	T M	Ndaba		
Councillor	R B	Ndimma		
Councillor	S S	Ndlangamandla		
Councillor	M S	Ndlovu		
Councillor	M E	Ngcobo		
Councillor	B C	Ngema		
Councillor	D R	Ngema		
Councillor	D	Ngwenya		
Councillor	C L	Nhlapho		
Councillor	S J	Nhlapho		
Councillor	E M	Nkosi		
Councillor	S N	Nkosi		
Councillor	J B	Nkwanazi		
Councillor	T M	Nzuza		
Councillor	S E	Shabangu		
Councillor	M	Shunmugam		
Councillor	D P	Sibiya		
Councillor	G M B	Thwala		
Councillor	L G	Thwala		
Councillor	S M	Thwala		
Councillor	M W	Twala		

(ii)

Councillor	S A	Yende
Councillor	M F	Zikhali
Councillor	S Z	Zulu
Councillor	T M	Zulu
Councillor	N A	Zwane

ABSENT WITH APOLOGY

Councillor	D X	Dube	:	other commitments
Councillor	P F	Ndlovu	:	other commitments
Councillor	D M	Sibilwane	:	other commitments
Councillor	L T	Sikhosane	:	other commitments
Councillor Dr	J A	Vorster	:	ill
Councillor	N S	Zulu	:	other commitments
Councillor	S J	Zulu	:	other commitments

ABSENT WITHOUT APOLOGY

Councillor	S L	Stein	
Inkosi	C S	Kubheka	: Traditional Leader
Inkosi	B S	Radebe	: Traditional Leader

10 : (iii) ANNUAL MEDIUM TERM BUDGET 2017/2018 : (BTO 6/1/1 - 2017/2018)

RESOLVED

- (a) That in terms of section 24 of the Municipal Finance Management Act, 56 of 2003, the annual budget of the municipality for the financial year 2017/18; and indicative allocations for the two projected outer years 2018/19 and 2019/20; and the multi-year and single year capital appropriations be approved;
- (b) that the sources to fund both operating and capital budgets be noted and approved;
- (c) that the Municipality's annual allocation of R66 793 006 to uThukela Water for the provision of bulk water be approved;
- (d) that in terms of section 24(2)(c)(i) of the Municipal Finance Management Act, 56 of 2003, and sections 74 and 75A of the Local Government Municipal Systems Act, 32 of 2000 as amended, the tariffs for the supply of water, electricity, waste services, sanitation services and property rates as set out Tariff of Charges that were used to prepare the estimates of revenue by source, be approved with effect from 1 July 2017 for all services except for water and electricity consumption, which be levied on the new tariff with effect from 01 August 2017;

- (e) that the Tariff of Charges be approved as attached in Annexure F and be applicable with effect from 01 July 2017;
- (f) that the revenue collection and debt management strategies be enhanced to improve the revenue collection rates;
- (g) that Property Rates, Water, Refuse and Sanitations tariffs be increased by 7% and other tariffs be increased by 10%;
- (h) that NERSA proposed municipal Electricity Tariff guideline increase of 1.88% increase be hereby approved, it be recorded that the application supporting this tariff increase is to be processed by NERSA ;
- (i) that bulk electricity purchases be increased by 0.31% as per NERSA's and the National Treasury guidelines;
- (j) that a water surcharge of 30% on water tariffs be repealed as there is no challenges of water in Newcastle;
- (k) that in terms of the Indigent Policy, the monthly household earnings of an indigent application be capped at R3 500 per month;
- (l) that indigent benefits be capped and approved as follows :-

Electricity consumption	:	50
kW/h		
Water consumption	:	6 KI
Electricity availability	:	100%
Water availability	:	100%
Sewer	:	100%
Refuse	:	100%
Property rates	:	100%;

- (m) that the rate rebates be capped and approved as follows:-

Pensioners	:	25%
Flood victims	:	50%
Bread and breakfasts businesses	:	10%
Business development with		
Property greater than R50 million		
from 0-4 years	:	40%
from 5-6 years	:	25%
from 7-8 years	:	10%
from 9 years onwards	:	0%;

- (n) that the Budget Policy be noted and approved;
- (o) that the Tariff Policy be noted and approved as attached Annexure E;

- (p) that the Rates Policy be noted and approved as attached Annexure E;
- (q) that the Indigent Policy be noted and approved as attached in Annexure E;
- (r) that the Customer Care, Credit Control and Debt Collection Policy be noted and approved as attached in Annexure E;
- (s) that the Provision for Doubtful Debt and Debtors Write-Off Policy be noted and approved as attached in Annexure E;
- (t) that the Supply Chain Management Policy be noted and approved as attached in Annexure E;
- (u) that the Cash and Investment Management Policy be noted and approved as attached in Annexure E;
- (v) that the Asset Management Policy be noted and approved as attached in Annexure E;
- (w) that the Petty Cash Policy be noted and approved as attached in Annexure E;
- (x) that the Virement Policy be noted and approved as attached in Annexure E;
- (y) that the Funding and Reserves Policy be noted and approved as attached in Annexure E;
- (z) that the Borrowing Policy be noted and approved as attached in Annexure E;
- (aa) that the Loss control Policy be noted and approved as attached in Annexure E;
- (bb) that the Short-term Insurance Policy be noted and approved as attached in Annexure E;
- (cc) that the Provincial Treasury's assessment and management responses on the municipality's 2016/2017 adjustments be noted, it further be noted that such assessment was received after the draft budget was approved in Annexure G;
- (dd) that a letter of objection received from uThukela Water (Pty) Ltd regarding their allocation for 2017/2018 be noted in Annexure H;
- (ee) that the Provincial Treasury's final assessment letter on the 2017/2018 draft budget, be noted.

I, the undersigned, **BHEKANI ERROL MSWANE**, in my capacity as **MUNICIPAL MANAGER** to the Newcastle Municipal Council, hereby certify the above as a true extract from the minutes of the special meeting held on 31 May 2017.



B.E. MSWANE
MUNICIPAL MANAGER

Newcastle